

What is claimed is:

1. A method of screening a company for compliance to Shari'ah-based principles, the method comprising sequentially:
  - a. comparing a first financial ratio calculated for the company with a first permitted financial ratio;
  - b. rejecting the company, if the first calculated financial ratio is greater or equal than the first permitted financial ratio;
  - c. if the company is not rejected, comparing a calculated percentage of restricted revenue with a permitted percentage of restricted revenue ;
  - d. rejecting the company, if the calculated percentage of restricted revenue is greater or equal than the permitted percentage of restricted revenue;
  - e. if the company is not rejected, comparing a calculated combined financial and restricted ratio with a permitted combined financial and restricted ratio; and
  - f. rejecting the company if the calculated combined ratio is greater or equal than the permitted combined ratio.
2. The method of claim 1, wherein the first financial ratio is the ratio of the company's debt over the company's assets.
3. The method of claim 1, wherein the first financial ratio is the ratio of the company's debt over the company's market capitalization.
4. The method of claim 1, wherein the first financial ratio is the largest of the ratio of the company's debt over its assets and the ratio of the company's debt over its market capitalization.
5. The method of claim 1, further comprising before step c:  
if the company is not rejected, rejecting the company if a reported Standard Industrial Classification code corresponds to a disapproved line of business.
6. The method of claim 1, further comprising before step c:

if the company is not rejected, comparing a second financial ratio calculated for the company with a second permitted financial ratio; and

rejecting the company, if the second calculated financial ratio is greater or equal than the second permitted financial ratio.

7. The method of claim 6, wherein the second financial ratio is the ratio of the company's accounts receivable over the company's market capitalization.

8. The method of claim 6, wherein the second financial ratio is the ratio of the company's accounts receivable over the company's assets.

9. The method of claim 6, wherein the first financial ratio is the ratio of the company's debt over the company's assets.

10. The method of claim 6, wherein the first financial ratio is the ratio of the company's debt over the company's market capitalization.

11. The method of claim 6, wherein the first financial ratio is the largest of the ratio of the company's debt over its assets and the ratio of the company's debt over its market capitalization.

12. The method of claim 6, wherein the second financial ratio is the largest of the ratio of the company's accounts receivable over its assets and the ratio of the company's accounts receivable over its market capitalization.

13. The method of claim 1, further comprising before step c:  
if the company is not rejected, comparing a interest income percentage calculated for the company with a permitted interest income percentage; and  
rejecting the company, if the calculated interest income percentage is greater or equal than the permitted interest income percentage.

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14. The method of claim 1, wherein the restricted revenue includes interest income and income from lines of business disapproved by Shari`ah .

15. The method of claim 14, wherein the disapproved lines of business are determined by their Standard Industrial Classification codes.

15. The method of claim 1, wherein the combined financial and restricted ratio is the sum of the ratio of debt over assets and the percentage of interest and disapproved lines of business income.

16. The method of claim 1, wherein the combined financial and restricted ratio is the sum of the percentage of interest and disapproved lines of business income and the largest of the ratios of debt over assets and debt over market capitalization.

17. The method of claim 1, wherein the combined financial and restricted ratio is the sum of the percentage of interest and disapproved lines of business income and the ratio of debt over assets.

18 The method of claim 1, wherein the combined financial and restricted ratio is the sum of the percentage of interest and disapproved lines of business income and the ratio of debt over market capitalization.

19. The method of claim 1, further comprising after step f:  
screening the company through a subjective filter, if the company is not already rejected.

20. A method of screening a company for compliance to Shari`ah-based principles, the method comprising:

screening the company for compliance to a permitted ratio for debt over assets and debt over market capitalization;

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screening the company for compliance to a permitted ratio for accounts receivable over assets and accounts receivable over market capitalization;

screening the company for compliance to a permitted ratio for interest income over revenue;

screening the company for compliance to approved Standard Industrial Classification codes;

subsequently screening the company for compliance to a permitted ratio for the sum of interest income over revenue and disapproved revenue percentage;

subsequently screening the company for compliance to a permitted ratio for the sum of the percentage of interest income and disapproved lines of business income and the largest of the ratios of debt over assets and debt over market capitalization; and

subsequently screening the company through a subjective filter, wherein a subsequent screening of the company stops if the company is rejected by the previous screening.

21. A method of screening a company for compliance to Shari'ah-based principles, the method comprising:

screening the company for compliance to a permitted ratio for debt over assets or debt over market capitalization;

screening the company for compliance to a permitted ratio for accounts receivable over assets or accounts receivable over market capitalization;

screening the company for compliance to a permitted ratio for interest income over revenue;

screening the company for compliance to approved Standard Industrial Classification codes;

subsequently screening the company for compliance to a permitted ratio for the sum of interest income over revenue and disapproved revenue percentage;

subsequently screening the company for compliance to a permitted ratio for the sum of the percentage of interest income and disapproved lines of business income and the ratio of debt over assets or debt over market capitalization; and

subsequently screening the company through a subjective filter, wherein a subsequent screening of the company stops if the company is rejected by the previous screening.

22. A method of managing, according to Shari`ah-based principles, an investment portfolio associated with a plurality of companies, the method comprising:

- retrieving financial data about each company;
- screening each company for compliance to permitted financial ratios and Standard Industrial Classification codes;
- retrieving lines of business data about each company;
- screening each company for compliance to permitted restricted ratios;
- screening each company for compliance to a permitted combined financial and restricted ratio;
- retrieving subjective data about each company; and
- screening each company for compliance to subjective criteria, wherein there is no subsequent screening if the company is rejected by the previous screening and wherein the retrieving steps are sequenced so that manual retrieval is minimized.

23. The method of claim 22, further comprising screening all compliant companies for performance enhancement.

24. A method of managing according to Shari`ah-based principles an investment portfolio associated with a plurality of companies, the method comprising:

- retrieving automated computer retrievable data for each company and applying for each company an Shari`ah-based filter that uses the computer retrievable data;
- retrieving manually retrievable data for the companies that have not been rejected by the previous application of the Shari`ah-based filter and re- applying the Shari`ah-based filter using the manually retrievable data.

25. A system for managing, according to Shari`ah-based principles, an investment portfolio associated with a plurality of companies, the system comprising:

- means for retrieving and storing financial data obtained for each company;

means for screening each company using the financial data of the company and permitted financial ratios and Standard Industrial Classification codes ;

means for retrieving and storing lines of business data for each company;

means for screening each company using the lines of business data of the company and permitted ratios including revenue from disapproved lines of business;

means of retrieving and storing subjective data about each company; and

means for screening each company using subjective data about the company and predetermined subjective criteria, wherein there is no subsequent screening if the company is rejected by the previous screening and wherein the means of retrieving data are sequenced so that the manual retrieval of data is minimized.

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